

**DELEGATION ORDER**



**Training Proposal for:  
Georgia-Pacific Corrugated LLC  
Agreement Number: ET16-0392**

**Approval Date:** March 1, 2016

**ETP Regional Office:** Sacramento

**Analyst:** K. Smiley

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate HUA	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Madera	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 625	U.S.: 5,500	Worldwide: 35,000
<u>Turnover Rate:</u>	6%		
<u>Managers/Supervisors:</u> (% of total trainees)	11%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$59,616		\$0	\$0		\$59,616

In-Kind Contribution:	100% of Total ETP Funding Required	\$75,000
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**TRAINING PLAN TABLE**

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee Priority Rate	Business Skills, Computer Skills, Continuous Impr, Mfg Skills, PL-Mfg Skills, OSHA 10/30	144	8-200	0	\$414	\$15.60
				Weighted Avg: 23			

**Minimum Wage by County:** All trainees must earn at least \$15.60 for Madera County.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$2.60 per hour may be used to meet the Post-Retention Wage for Job Number 1.

**Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees
Production Staff		99
Maintenance Staff		10
Quality Control Staff		2
Administrative Staff		17
Manager		5
Supervisor		11

**INTRODUCTION**

Georgia-Pacific Corrugated LLC (Georgia Pacific) (<https://www.gp.com/>), located in Madera and headquartered in Atlanta, Georgia, is a manufacturer of bulk paper container boxes and packaging for a variety of industries, with worldwide distribution. Georgia Pacific is a wholly owned subsidiary of Koch Industries, Inc. (headquartered in Wichita, Kansas). Georgia Pacific has multiple locations in California; however, only the Madera facility will participate in the proposed training.

**PROJECT DETAILS**

Under the previous Agreement, Georgia Pacific sought to reduce waste, shorten lead times and increase production capabilities. Training centered on two pieces of equipment: a new Martin Flexo Folder Gluer machine and a refurbished Corrugator machine.

This proposal builds upon training offered under the previous Agreement, but also includes training on the operation of newly purchased machinery. This is a Unitizer Machine and a Conveyor System, which will be installed in March. Training will ensure that incumbent staff can efficiently operate and calibrate the new equipment.

Additionally, Georgia Pacific plans to cross-train 60% of Production Staff, in more than one machine. This will allow the Company to have a flexible workforce as well as increase promotional opportunities for employees.

## Training Plan

**Business Skills (5%):** Training will be provided to Administrative Staff to improve sales techniques and increase customer satisfaction. Courses will include Advanced Sales, Strategic Planning and Account Development.

**Computer Skills (15%):** Training will be provided to all occupations to maximize employee knowledge of software and networking systems. Courses will include Kiwi Software Training, Factory Floor Feedback (FFF) Software Training and CoPar Production Machinery Operating Software Training.

**Manufacturing Skills (40%):** Training will be provided to Production, Maintenance, and Quality Control Staff on production equipment operation and preventative maintenance. Courses will include production equipment operation and maintenance, Unitizer Training and Conveyor System training.

**Continuous Improvement (25%):** Training will be provided to all occupations according to job duties to increase productivity and skill sets of incumbent staff. Courses will include team building, cross training and leadership skills.

**OSHA 10/30 (5%):** Training will be provided to Production Staff, Managers, Supervisors, Quality Control Staff and Maintenance Staff to ensure a safe work environment. This training is a series of courses "bundled" by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for frontline supervisors. The coursework is geared to construction work, and also manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

## Productive Laboratory (10%)

Productive Lab (PL) trainees may produce goods for profit as part of the PL training in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training.

Georgia Pacific is requesting PL in Manufacturing Skills for 24 trainees. Production, Maintenance, and Quality Control Staff will receive PL on the new machines. Trainees will require in-depth training to become proficient. PL will supplement the class/lab component of this training. Trainees will receive up to 10 hours of PL. The trainer-to-trainee ratio will not exceed 1:3 because trainees work in teams of 3 when operating machines. Trainees will rotate to different points of the machines.

## Commitment to Training

Georgia Pacific has an annual training budget of \$60,000 for new hire orientation, and safety training. Georgia Pacific also provides job specific training and hazardous materials training. ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

## **High Unemployment Area**

All trainees in Job Number 1 work in a High Unemployment Area with unemployment exceeding the state average by at least 25%. However, Georgia Pacific is not asking for a wage modification.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **PRIOR PROJECTS**

The following table summarizes performance by Georgia Pacific under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET14-0173	Madera	10/01/2013– 09/30/2015	\$96,768	\$59,331 (61%)

\*During the term of this Agreement, Georgia Pacific lost their Director of Operations, Quality Control Manager and Safety Manager. These persons were responsible for delivering and administering ETP-funded training. Training was delayed until new management could adjust and learn their roles.

Turnover in management has stabilized. Today, the Company is committed to delivering training, with a plan approved by upper management. The current proposal has been right-sized to reflect earnings under the previous Agreement.

## **DEVELOPMENT SERVICES**

Strategic Business Solutions of Visalia assisted Georgia Pacific with development of this proposal for a flat fee of \$4,173.

## **ADMINISTRATIVE SERVICES**

Georgia Pacific also retained Strategic Business Solutions to perform administrative services in connection with this proposal for a fee not to exceed 10% of payment earned.

## **TRAINING VENDORS**

To Be Determined

## **Exhibit B: Menu Curriculum**

### **Class/Lab Hours**

8-200

Trainees may receive any of the following:

#### **MANUFACTURING SKILLS**

- Production Equipment Operation and Maintenance
- Unitizer Training
- Conveyer System Training
- Material Handling Equipment Training
- Confined Space Training
- Height Safety Training

#### **BUSINESS SKILLS**

- Advanced Sales
- Account Development
- Strategic Planning

#### **COMPUTER SKILLS**

- Kiwi/PCS (Planning/Scheduling) Software
- Factory Floor Feedback (FFF) Software
- MP2 (Maintenance) Software
- IQS Infinity Quality Systems Software
- CoPar Production Machinery Operating Software Training

#### **CONTINUOUS IMPROVEMENT**

- Team Building
- Leadership Skills
- Lean Manufacturing
- Cross Training

#### **OSHA 10/30 (OSHA Certified Instructor)**

- OSHA 10 (requires completion of 10 hours)
- OSHA 30 (requires completion of 30 hours)

### **PL Hours**

0-10

#### **MANUFACTURING SKILLS**

- Production Equipment Operation and Maintenance
- Unitizer Training
- Conveyer System Training

Safety Training will be limited to 10% of total training hours per-trainee.

Note: Reimbursement for retraining is capped at 200 hours total per-trainee, regardless of method of delivery.